

deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1524).

Approved July 10, 1954.

52 Stat. 1087.

## Public Law 482

## CHAPTER 471

### AN ACT

To amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes.

July 12, 1954  
[H. R. 8149]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Medical Facilities Survey and Construction Act of 1954".

Medical Facili-  
ties Survey and  
Construction Act  
of 1954.

SEC. 2. Title VI of the Public Health Service Act is amended by adding immediately after part D thereof the following new parts:

60 Stat. 1041.  
42 USC 291-291n.

#### "PART E—DECLARATION OF PURPOSE WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

SEC. 641. The purpose of parts F and G of this title is—

"(a) to assist the several States (1) to inventory their existing diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes, (2) to survey the need for the construction of facilities of the types referred to in clause (1), and (3) to develop programs for the construction of such public and other nonprofit facilities of the types referred to in clause (1) as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing to all their people adequate services of the kinds which may be supplied by facilities of the types referred to in clause (1); and

"(b) to assist in the construction, in accordance with such programs, of public and other nonprofit facilities of the types referred to in subsection (a).

#### "PART F—SURVEYS AND PLANNING WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

##### "AUTHORIZATION OF APPROPRIATION

"SEC. 646. In order to assist the States in carrying out the purposes of section 641 (a) there is hereby authorized to be appropriated the sum of \$2,000,000, to remain available until expended. The sums appropriated under this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General, State applications for funds for carrying out such purposes.

##### "STATE APPLICATIONS

"SEC. 647. The Surgeon General shall approve a State application for funds for carrying out the purposes of section 641 (a) which—

"(1) designates as the sole agency for carrying out such purposes, or for supervising the carrying out of such purposes, the State agency designated in accordance with section 623 (a) (1);

42 USC 291f.

"(2) provides for the utilization of the State advisory council provided in section 623 (a) (3), and if such council does not include representatives of nongovernment organizations or groups, or State agencies, concerned with rehabilitation, provides for consultation with organizations, groups, and State agencies so concerned; and

"(3) provides for making an inventory and survey containing all information required by the Surgeon General and for developing a construction program in accordance with section 653.

#### "ALLOTMENTS TO STATES

"SEC. 648. Each State shall be entitled to an allotment of such proportion of any appropriation made pursuant to section 646 as its population bears to the population of all the States, and within such allotment shall be entitled to receive 50 per centum of its expenditures in carrying out the purposes of section 641 (a) in accordance with its application: *Provided*, That no such allotment to any State shall be less than \$25,000. The Surgeon General shall from time to time estimate the sum to which each State will be entitled under this section, during such ensuing period as he may determine, and shall thereupon certify to the Secretary of the Treasury the amount so estimated, reduced or increased, as the case may be, by any sum by which the Surgeon General finds that his estimate for any prior period was greater or less than the amount to which the State was entitled for such period. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Surgeon General, the amount so certified.

"(b) Any funds paid to a State under this section and not expended for the purposes for which paid shall be repaid to the Treasury of the United States."

42 USC 291-291n.

SEC. 3. Title VI of the Public Health Service Act is further amended by adding a new part G to read as follows:

#### "PART G—CONSTRUCTION OF DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

##### "AUTHORIZATION OF APPROPRIATION

"SEC. 651. In order to assist the States in carrying out the purposes of section 641 (b), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1955, and for each of the two succeeding fiscal years—

"(1) \$20,000,000 for grants for the construction of public and other nonprofit diagnostic or treatment centers;

"(2) \$20,000,000 for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired;

"(3) \$10,000,000 for grants for the construction of public and other nonprofit rehabilitation facilities; and

"(4) \$10,000,000 for grants for the construction of public and other nonprofit nursing homes.

#### "ALLOTMENTS TO STATES

"SEC. 652. Each State shall be entitled for each fiscal year to an allotment of a sum bearing the same ratio to the sums appropriated for such year pursuant to paragraphs (1), (2), (3), and (4), respectively, of section 651, as the product of (a) the population of such State and

(b) the square of its allotment percentage (as defined in section 631 (a)) bears to the sum of the corresponding products for all of the States: *Provided*, That no such allotment to any State for the purposes of paragraph (1) or (2) of section 651 shall be less than \$100,000 and no such allotment to any State for the purpose of paragraph (3) or (4) shall be less than \$50,000, but for the purpose of this proviso the term "State" shall not include the Virgin Islands. Sums allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the same purpose for the next fiscal year (and for such year only) in addition to the sums allotted to such State for such next fiscal year.

42 USC 2911.

"REGULATIONS AND APPROVAL OF STATE PLANS

"SEC. 653. (a) Within six months after this part becomes effective, the Surgeon General, with the approval of the Federal Hospital Council and the Secretary of Health, Education, and Welfare (hereinafter referred to as the 'Secretary'), shall revise and supplement the regulations issued under section 622 to provide general standards of construction and equipment, general standards of adequacy and priority, and requirements comparable to those provided in such regulations as to nondiscrimination and persons unable to pay, and as to general methods of administration of the State plan, for facilities for which payments are authorized under this part. After such regulations have been issued, any State desiring to take advantage of this part may submit, as a revision of, or supplement to, its plan under section 623, a plan for a construction program for diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes. The Surgeon General shall approve any such revision of, or supplement to, the State plan which is based upon a statewide inventory of existing facilities available for such purposes and which—

42 USC 291e.

"(1) meets the requirements of paragraphs (1), (2), (3), (6), (8), and (9) of section 623 (a): *Provided*, That if the designated advisory council does not include representatives of nongovernmental organizations or groups, or State agencies, concerned with rehabilitation, the plan shall provide for consultation with organizations, groups, and State agencies so concerned;

42 USC 291f.

"(2) conforms with the regulations prescribed under section 622 as revised and supplemented for the purposes of this part;

42 USC 291e.

"(3) sets forth, with respect to each type of facility, the relative need determined in accordance with such revised regulations, and provides for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, of such facilities in the order of such relative needs; and

"(4) provides that the State agency will from time to time review its construction program for such facilities as a part of its State plan and submit to the Surgeon General any modifications thereof which it considers necessary.

"(b) The provisions of subsections (b) and (c) of section 623 shall be applicable to State plans with respect to projects for construction under this part. Except with respect to hospitals, the provisions of subsection (d) of such section shall not be applicable to State plans with respect to projects for construction under this part.

42 USC 291f.

"APPROVAL OF PROJECTS AND PAYMENTS—FEDERAL SHARE

"SEC. 654. (a) Applications under this part by States, political subdivisions, or public or other nonprofit agencies for (1) public or

42 USC 291h,  
291e.

other nonprofit diagnostic or treatment centers, (2) public or other nonprofit hospitals for the chronically ill and impaired, (3) public or other nonprofit rehabilitation facilities, or (4) public or other nonprofit nursing homes shall be submitted, and shall be approved by the Surgeon General (subject also, in the case of rehabilitation facilities, to the approval of the Secretary) if sufficient funds are available from the State's allotment under this part for such type of facility, in accordance with the procedures and subject to the conditions prescribed in subsection (a) of section 625 and the regulations issued under section 622 as revised and supplemented for the purposes of this part: *Provided, however*, That (except with respect to hospitals) the assurances required for compliance with State standards for operation and maintenance shall be limited to such standards, if any, as the State may prescribe. Approved applications shall be subject to amendment as provided in subsection (c) of section 625.

"(b) Upon the request of any State that a specified portion of any allotment to such State for the purposes of paragraph (1), (2), or (4) of section 651 be added to another allotment of such State for the purposes of one of such paragraphs, and upon the simultaneous certification to the Surgeon General by the State agency in such State to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion, the Surgeon General shall promptly adjust the allotments in accordance with such request and shall notify the State agency, and thereafter the allotments as so adjusted shall be deemed the State's allotments for the purposes of such paragraphs.

"(c) In accordance with regulations, any State may file with the Surgeon General a request that a specified portion of an allotment to it under this part for any type of facility be added to the corresponding allotment of another State for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a facility of that type in such other State. If it is found by the Surgeon General (or, in the case of a rehabilitation facility, by the Surgeon General and the Secretary) that construction of the facility with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the corresponding allotment of the other State, to be used for the purpose referred to above.

42 USC 291h.

"(d) Procedures and conditions for payments under this part shall be in accord with the provisions of subsection (b) of section 625.

Post, p. 465.

"(e) Notwithstanding subsection (a) of this section, no application for a diagnostic or treatment center shall be approved under such subsection unless the applicant is (1) a State, political subdivision, or public agency, or (2) a corporation or association which owns and operates a nonprofit hospital (as defined in section 631 (g))."

#### AMENDMENT OF PARTS A, C, AND D OF TITLE VI

42 USC 291.

SEC. 4. (a) That part of section 601 of the Public Health Service Act which precedes paragraph (a) is amended by striking out "purpose of this title" and inserting in lieu thereof "purpose of parts B through D of this title".

42 USC 291h.

(b) Subsection (e) of section 625 of the Public Health Service Act is hereby amended to read:

"(e) If any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home for which funds have been paid under this



section or under section 654 shall, at any time within twenty years after the completion of construction, (A) be sold or transferred to any person, agency, or organization, (1) which is not qualified to file an application under this section, or (2) which is not approved as a transferee by the State agency designated pursuant to section 623 (a) (1), or its successor, or (B) cease to be a nonprofit hospital, nonprofit diagnostic or treatment center, nonprofit rehabilitation facility, or nonprofit nursing home as defined in section 631 (g), the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a hospital, diagnostic or treatment center, rehabilitation facility, or nursing home, which has ceased to be nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital, center, facility, or nursing home is situated) of so much of the hospital, center, facility, or nursing home as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects."

42 USC 291f.

*Infra.*

(c) Subsection (g) of section 631 is amended to read:

42 USC 291i.

"(g) The terms 'nonprofit hospital', 'nonprofit diagnostic or treatment center', 'nonprofit rehabilitation facility', and 'nonprofit nursing home' mean any hospital, diagnostic or treatment center, rehabilitation facility, and nursing home, as the case may be, which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;".

"Nonprofit hospital,"

(d) Subsection (h) of section 631 is amended to read:

42 USC 291i.

"(h) The term 'construction' includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities); including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land;".

"Construction,"

(e) Subsection (k) of section 631 is amended to read:

42 USC 291i.

"(k) (1) The term 'Federal share' with respect to any project means the proportion of the cost of construction of such project to be paid by the Federal Government. In the case of any project approved prior to October 25, 1949, the Federal share shall be  $33\frac{1}{3}$  per centum of the cost of construction of such project. In the case of any project approved on or after October 25, 1949, the Federal share, except as otherwise provided in paragraph (2) of this subsection, shall be determined as follows—

"Federal share,"

"(A) if the State plan, as of the date of approval of the project application, contains standards approved by the Surgeon General pursuant to section 623 (e), the Federal share with respect to such project shall be determined by the State agency in accordance with such standards;

42 USC 291f.

"(B) if the State plan does not contain such standards, the Federal share shall be the amount (not less than  $33\frac{1}{3}$  per centum and not more than either  $66\frac{2}{3}$  per centum or the State's allotment percentage, whichever is the lower) established by the State agency for all projects in the State: *Provided*, That prior to the approval of the first project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of the Federal share established under this subparagraph for projects in such State to be approved by the Surgeon General during such fiscal year, and the Federal share for projects in such State approved during such fiscal year shall not be changed after such approval.

"(2) In the case of projects eligible for approval under part G and approved after the effective date of that part, the Federal share shall be determined as provided in paragraph (1) of this subsection, or, if the State so elects, shall be 50 per centum of the cost of construction of the project: *Provided*, That prior to the approval of the first such project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of such election; and such election shall not be subject to change during such fiscal year after such approval."

42 USC 291f.  
Definitions.

(f) Section 631 of the Public Health Service Act is further amended by the addition of the following subsections:

"(1) The term 'diagnostic or treatment center' means a facility for the diagnosis or diagnosis and treatment of ambulatory patients—

"(1) which is operated in connection with a hospital, or

"(2) in which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State, or, in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State.

"(m) The term 'hospital for the chronically ill and impaired' shall not include any hospital primarily for the care and treatment of mentally ill or tuberculous patients.

"(n) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision, and in the case of which—

"(1) the major portion of such evaluation and services is furnished within the facility; and

"(2) either (A) the facility is operated in connection with a hospital, or (B) all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(o) The term 'nursing home' means a facility for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services—

"(1) which is operated in connection with a hospital, or

"(2) in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State."

(g) Subsection (a) and subsection (b), paragraph (1), of section 632 are hereby amended to read:

42 USC 291j.  
Withholding of  
certification, etc.

42 USC 291b.  
Ante, p. 461.

42 USC 291f.  
Ante, p. 461.

42 USC 291e.

42 USC 291h.  
Ante, p. 463.

"SEC. 632. (a) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 612 (a) (1) or section 647 (1) finds that the State agency is not complying substantially with the provisions required by section 612 (a) or section 647 to be contained in its application for funds under part B or part F, as the case may be, or after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 623 (a) (1) or section 647 (1) finds (1) that the State agency is not complying substantially with the provisions required by section 623 (a), or by regulations prescribed pursuant to section 622, or with the provisions required by section 647, or by regulations prescribed pursuant to section 653, to be contained in its plan submitted under section 623 (a) or section 653, as the case may be, or (2) that any funds have been diverted from the purposes for which they have been allotted or paid, or (3) that any assurance given in an application filed under section 625 or section 654, as

the case may be, is not being or cannot be carried out, or (4) that there is a substantial failure to carry out plans and specifications approved by the Surgeon General under section 625 or section 654, as the case may be, or (5) that adequate State funds are not being provided annually for the direct administration of the State plan, the Surgeon General may forthwith notify the Secretary of the Treasury and the State agency that no further certification will be made under part B, part C, part F, or part G, as the case may be, or that no further certification will be made for any project or projects designated by the Surgeon General as being affected by the default, as the Surgeon General may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected by such default, he may withhold further certifications until there is no longer any failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

“(b) (1) If the Surgeon General refuses to approve any application under section 625 or section 654, the State agency through which the application was submitted, or if any State is dissatisfied with the Surgeon General’s action under subsection (a) of this section, such State may appeal to the United States circuit court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Surgeon General shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.”

(h) Section 635 is hereby amended to read:

Appeal.

42 USC 291h.  
Ante, p. 463.

42 USC 291m.

#### “STATE CONTROL OF OPERATIONS

“SEC. 635. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home with respect to which any funds have been or may be expended under this title.”

Approved July 12, 1954.

### Public Law 483

### CHAPTER 472

#### AN ACT

To provide that each grant of exchange assignment on tribal lands on the Cheyenne River Sioux Reservation and the Standing Rock Sioux Reservation shall have the same force and effect as a trust patent, and for other purposes.

July 14, 1954  
[S. 2488]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, from and after the date of the approval of this Act, each grant of exchange assignment of tribal lands on the Cheyenne River Sioux Reservation and the Standing Rock Sioux Reservation shall have the same force and effect, and shall confer the same rights, including all timber, mineral, and water rights now vested in or held by the Cheyenne River Sioux Tribe or the Standing Rock Sioux Tribe, upon the holder or holders thereof, that are conveyed by a trust patent issued pursuant to section 5 of the Act of February 8, 1887 (24 Stat. 388), as amended and supplemented, except that the period of trust and tax exemption shall continue until otherwise directed by Congress.

Sioux Indians.  
Exchange grants.

25 USC 348.